

Message Text

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63

ACTION ARA-20

INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-15

AID-20 EB-11 CIEP-02 TRSE-00 STR-08 OMB-01 CEA-02

COME-00 FRB-02 XMB-07 OPIC-12 LAB-06 SIL-01 MC-02

NEA-10 RSR-01 /174 W

----- 108442

R 170200Z AUG 73

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 7484

INFO AMCONSUL CIUDAD JUAREZ UNN

AMCONSUL GUADALAJARA UNN

AMCONSUL HERMOSILLO UNN

AMCONSUL MATAMOROS UNN

AMCONSUL MAZATLAN UNN

AMCONSUL MERIDA UNN

AMCONSUL MONTERREY UNN

AMCONSUL NUEVO LAREDO UNN

AMCONSUL TIJUANA UNN

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E.O. 11652: N/A

TAGS: EFIN, MX

SUBJECT: FOREIGN INVESTMENT IN MEXICO

REF: MEXICO 5065; MEXICO A-287 OF 6/11/73; MEXICO 4069;
MEXICO 3964

1. EMB FIN OFF SPOKE AUGUST 16 WITH LIC. LORENZO THOMAS
TORRES, OFFICIAL IN NATIONAL FOREIGN INVESTMENT REGISTRY,
AND INQUIRED ABOUT STATUS OF PENDING REGULATIONS CONCERNING
FOREIGN INVESTMENT REGISTRATION, AND DISPOSITION OF APPLICATIONS
BEFORE FOREIGN INVESTMENT COMMISSION.

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2. THOMAS REPLIED THAT REGISTRY HAS JUST COMPLETED DRAFT OF IMPLEMENTING REGULATIONS FOR REGISTRY, AND WILL CIRCULATE THEM DURING WEEK OF AUGUST 20 TO INTERESTED BUSINESS ORGANIZATIONS, INCLUDING AMCHAM MEXICO, FOR COMMENTS. IT COMMENTS ARE RECEIVED PROMPTLY, THOMAS BELIEVES THAT REGULATIONS CAN BE ISSUED IN EARLY SEPTEMBER.

3. WITH REGARD TO COMMISSION, THOMAS NOTED THAT IT HAD NOW MET FOUR TIMES, AND HAD CONSIDERED A NUMBER OF PENDING FOREIGN INVESTMENT APPLICATIONS. MOST OF THESE HAVE BEEN RETURNED TO THE APPLICANTS FOR FURTHER INFORMATION, OR HAVE BEEN REFERRED TO APPROPRIATE AGENCIES OF THE GOM FOR EVALUATION. HOWEVER, THREE OR FOUR APPLICATIONS INVOLVING MAJORITY FOREIGN OWNERSHIP HAVE BEEN APPROVED, AND ABOUT THE SAME NUMBER HAVE BEEN DEFINITELY DISAPPROVED BY THE COMMISSION. THOMAS UNWILLING TO DISCUSS INDIVIDUAL CASES, SO FIN OFF UNABLE CONFIRM REPORT CIRCULATING HERE THAT ONE OF APPROVED CASES IS ISRAELI AIRCRAFT ENGINE REPAIR FACILITY IN YUCATAN.

4. THOMAS ALSO REFERRED TO COMMISSION RULINGS ON BORDER INDUSTRIES AND NEW CAPITAL (MEXICO 5065), AND EXPRESSED BELIEF THAT OTHER SUCH GENERALIZED RULINGS WOULD BE ISSUED TO CUT RED TAPE AND ENCOURAGE FOREIGN INVESTMENT. ONE POSSIBILITY BEING EXPLORED BY LIC. ROBERTO MANTILLA MOLINA, EXECUTIVE SECRETARY OF COMMISSION AND DIRECTOR OF FOREIGN INVESTMENT REGISTRY (MEXICO 3964), IS AN AUTOMATIC APPROVAL BY THE COMMISSION OF ALL FOREIGN INVESTMENT PROPOSALS ENVISAGING MAJORITY MEXICAN PARTICIPATION. THOMAS CONCLUDED BY STRESSING THAT ADMINISTRATION OF REGISTRY AND COMMISSION WAS STILL IN ITS TRIAL PHASE, AND THAT MANY DETAILS NEEDED TO BE IRONED OUT.

5. COMMENT: IN SUBSEQUENT CONVERSATION WITH MR. GEORGE BLAKE, PRESIDENT AMCHAM MEXICO, EMBASSY CONFIRMED THAT FOREIGN INVESTMENT REGISTRY HAS PROMISED TO MAKE DRAFT REGULATIONS AVAILABLE TO AMCHAM FOR STUDY AND COMMENTS. IT DOES APPEAR THAT PROGRESS, HOWEVER SLOW, IS BEING MADE IN IMPLEMENTING FOREIGN INVESTMENT LAW.
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